

## Message Text

UNCLASSIFIED

PAGE 01 GUATEM 00871 142032Z

15

ACTION ARA-10

INFO OCT-01 ISO-00 IO-10 AID-05 FEA-01 AEC-07 CEA-01

CIAE-00 CIEP-02 COME-00 DODE-00 EB-07 FPC-01 H-02

INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01

OES-05 SP-02 SS-15 STR-04 TRSE-00 FRB-01 /098 W

----- 040708

R 142000Z FEB 75

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 5883

INFO AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

UNCLAS GUATEMALA 0871

ROCAP

E.O. 11652: N/A

SUBJECT: OIL PRICE BLAMED FOR INFLATION, AT CA MEETING ON ENERGY

1. IN A MEETING AT SIECA BEGINNING FEBRUARY 12, OFFICIALS AND TECHNICIANS FROM CENTRAL AMERICA, AS WELL AS FROM SEVERAL INTERNATIONAL ORGANIZATIONS (INCLUDING ECLA, UNDP, IBRD, IDB AND CABEI) PROBED ENERGY AND OIL PROBLEMS OF THE REGION.

2. DISCUSSIONS CENTERED, INTER ALIA ON "ACTIONPLAN" RECOMMENDATIONS SUBMITTED BY UNDP AND ECLA REPRESENTATIVES. COPIES OF THE "ACTION PLAN" ARE BEING POUCHED TO DEPT (ARA/CEN AND ARA/ECP) AND TO EMBASSY ECONOFFS AND AID MISSION DIRECTORS IN CA.

3. IN REMARKS AT THE OPENING SESSION, GUATEMALAN VICE MINECON FOR INTEGRATION GUSTAVO BARRIOS PLACED BLAME FOR CRITICAL INFLATIONARY SITUATION NOW FACING CA SQUARELY ON THE HIGH PRICE OF OIL. BARRIOS ADDED THAT "THE INFLATIONARY WAVE CAUSED BY THE SPECTACULAR RISE IN ENERGY PRICES IS ALREADY WIPING OUT ECONOMICALLY UNCLASSIFIED

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WEAKER ELEMENTS" OF THE SOCIETY. PRAISING SIECA FOR CALLING THE

CONFERENCE, BARRIOS CITED CA WEAKNESS AS MARGINAL CONSUMERS WITH LITTLE MONETARY RESERVE AND URGED JOINT DEFENSIVE ACTION BASED ON COMMON INTERESTS OF THE REGION.

4. THE "ACTION PLAN" UNDER STUDY INCLUDES:

A) CREATION OF A CA ENERGY COMMITTEE.

B) SUPPLY AND DEMAND STUDIES.

C) EMPHASIS ON GEOTHERMAL ENERGY.

D) RESEARCH ON HYDROPOWER, WITH ESTIMATE THAT ONLY TWO PER CENT OF POTENTIAL IS NOW IN USE.

E) COMPARISON OF PIPELINE AND TRUCKING COSTS, FOR POL TRANSPORT.

F) "RATIONALIZATION" OF AIR ROUTES.

G) SUGGESTION FOR MUCH HIGHER GASOLINE TAXES. TRAGEN.  
ALSO PASSED INFO USAID/GUATEMALA.  
MELOY

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INFLATION, PETROLEUM, PRICES, MEETINGS, FOREIGN POLICY POSITION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 05 MAY 2003  
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**Review Exemptions:** n/a  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OIL PRICE BLAMED FOR INFLATION, AT CA MEETING ON ENERGY  
**TAGS:** ENRG, ECON, GT, (GUSTAVO BARRIOS)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006